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August 30, 2005

BY OVERNIGHT DELIVERY AND E-FILE

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Bay State Gas Company, D.T.E. 05-27

Dear Ms. Cottrell:

Per the Hearing Officer's request of August 5, 2005 (See Page 3548 of Transcript Vol. 21) please find Workpaper JES-6, Page 5 of 31 REVISED and Workpaper JES-6, Page 17 of 31 REVISED.

This Revised material is provided as part of Exh. BSG/JES (WP). Please note that the change requested of these workpapers merely adds a footnote explaining types of insurance coverage that are associated with the "SIR Buyout Liability" expense.

Please do not hesitate to telephone me with any questions whatsoever.

Very truly yours,

Patricia M. French

cc: Per Ground Rules Memorandum issued June 13, 2005:

Paul E. Osborne, Assistant Director – Rates and Rev. Requirements Div. (1 copy)
A. John Sullivan, Rates and Rev. Requirements Div. (4 copies)
Andreas Thanos, Assistant Director, Gas Division (1 copy)
Alexander Cochis, Assistant Attorney General (4 copies)
Service List (1 electronic copy)

REVISED August 30, 2005

Bay State Gas Company
Adjustment To Operating Expenses - Property & Liability Insurance Expense
Test Year Ended December 31, 2004

<u>Line No.</u>	<u>Description</u>	<u>Annualized Expense</u> (1) \$	<u>2004 Test Year Expense</u> (2) \$	<u>2004 Adjustment</u> (3 = 1 - 2) \$	<u>Reference</u> (4)
	Policy				
1	Primary Liability	187,340	300,863	(113,523)	WP-JES-6, Page 17, Ln 2 & Page 18, Ln 1
2	General Liability	659,428	528,957	130,471	WP-JES-6, Page 17, Ln 13 & Page 18, Ln 2
3	Workers Compensation	673,516	524,037	149,479	WP-JES-6, Page 17, Ln 18 & Page 18, Ln 3
4	Auto Liability	68,392	62,821	5,571	WP-JES-6, Page 17, Ln 22 & Page 18, Ln 4
5	SIR Buy Down Liability	191,175	191,380	(205)	WP-JES-6, Page 17, Ln 23 & Page 18, Ln 5
6	Property	97,869	107,798	(9,929)	WP-JES-6, Page 17, Ln 42 & Page 18, Ln 6
7	Directors & Officers Liability	489,661	493,903	(4,242)	WP-JES-6, Page 17, Ln 47 & Page 18, Ln 7
8	Fiduciary Liability	17,771	28,070	(10,299)	WP-JES-6, Page 17, Ln 49 & Page 18, Ln 8
9	Special Crime	1,285	53,981	(52,696)	WP-JES-6, Page 17, Ln 52 & Page 18, Ln 9
10	Bonds	840	470	370	WP-JES-6, Page 17, Ln 58 & Page 18, Ln 10
11	Total Premiums	2,387,277	2,292,280	94,997	

NOTES:

1/ The SIR Buyout Liability policies covered by these expenses include Workers Compensation, Auto Liability, and General Liability.

REVISED August 30, 2005

BAY STATE GAS COMPANY PROPERTY AND LIABILITY INSURANCE PREMIUM EXPENSE

Line No.	Type of Coverage	Premium	Bay State Portion	Bay State Premium
	2004-2005 Policy Year Combined			
	(1)	(2)	(3)	(4)
		\$		\$
1	Primary Liability			
2	AEGIS (NICL)	2,465,000	7.60%	187,340
3	Excess General Liability			
4	Park Bermuda Limited	225,000	7.60%	17,100
5	Park Bermuda Limited	1,301,020	7.60%	98,878
6	Agnew Higgins Pickering	200,000	7.60%	15,200
7	Agnew Higgins Pickering	989,000	7.60%	75,164
8	AEGIS	122,500	7.60%	9,310
9	AEGIS	2,503,621	7.60%	190,275
10	EIM	912,688	7.60%	69,364
11	MSW (Incl Service Fee)	2,350,750	7.60%	178,657
12	EIB	72,107	7.60%	5,480
13	Total Excess General Liability	8,676,686		659,428
14	Workers Compensation			
15	AEGIS (NICL)	6,589,752	7.40%	487,642
16	McGriff, Seibels & Williams	2,186,821	7.40%	161,825
17	AEGIS	325,000	7.40%	24,050
18	Total Workers Compensation	9,101,573		673,516
19	Auto Liability			
20	AEGIS (NICL)	435,000	7.80%	33,930
21	AEGIS	441,816	7.80%	34,462
22	Total Auto Liability	876,816		68,392
23	SIR Buyout Liability _1/	4,229,545	4.52%	191,175
24	Property (Primary)			
25	AEGIS (NICL)	3,295,284	0.98%	32,294
26	Property (Excess)			
27	OIL Ltd (1st quarter)	97,243	0.98%	953
28	OIL Ltd (2nd quarter)	102,110	0.98%	1,001
29	OIL Ltd (3rd quarter) Estimated	97,243	0.98%	953
30	OIL Ltd (4th quarter) Estimated	102,110	0.98%	1,001
31	Park Bermuda Limited	1,037,916	0.98%	10,172
32	GARD AS Energy	92,870	0.98%	910
33	AEGIS	234,525	0.98%	2,298
34	EIM	133,995	0.98%	1,313
35	JLT Risk Solutions	4,249,488	0.98%	41,645
36	Property (Engineering Fees)			
37	Zurich Services Corp.	224,040	0.98%	2,196
38	AON (1st installment of 4)	99,000	1.79%	1,772
39	AON (2nd installment of 4)	26,000	1.79%	465
40	AON (3rd installment of 4)	25,000	1.79%	448
41	AON (4th installment of 4)	25,000	1.79%	448
42	Total Property	9,841,824		97,869
43	Directors & Officers Liability			
44	EIM (Energy Insurance Mutual)	1,417,850	8.73%	123,778
45	Park Bermuda (Incl Fiduciary)	1,111,200	8.73%	97,008
46	McGriff, Seibels & Williams (Incl. Fiduciary & Crime)	3,079,900	8.73%	268,875
47	Total Directors & Officers Liability	5,608,950		489,661
48	Fiduciary Liability			
49	EIM (Energy Insurance Mutual)	203,568	8.73%	17,771
50	Commercial Crime (Included In D&O)			
51	Special Crime			
52	McGriff, Seibels & Williams	19,980	6.43%	1,285
53	Bonds			
54	Town of Walpole Bond	585	100.00%	585
55	Town of Canton Bond	85	100.00%	85
56	Town of Stoughton Bond	85	100.00%	85
57	Town of Duxbury	85	100.00%	85
58	Total Bonds	840		840
59	Total 2004-2005 Premiums Combined	41,024,782		2,387,278

NOTES:

1/ The SIR Buyout Liability policies covered by these expenses include Workers Compensation, Auto Liability, Liability.